GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:95
ANSWERED ON:02.12.2003
DECONTROL OF CHEMICAL FERTILIZER INDUSTRY
GANTA SRINIVASA RAO

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Union Government have decided to decontrol the chemical fertilizer industry completely;

(b) if so, the time by which it is likely to be decontrolled;

(c) whether it is a fact that following the adoption of liberalised industrial policy it has become mandatory to decontrol the industry; and

(d) if so, the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) to (d): No, Sir. At present, only urea is under statutory price and partial distribution control as the phosphatic and potassic fertilizers were decontrolled on 25.8.1992. With the objective of making fertilizers available at affordable prices, urea is sold at statutorily notified maximum retail price (MRP), the decontrolled phosphatic and potassic fertilizers are sold at indicative MRPs. MRPs of Single Super Phosphate are indicated by respective State Governments.

According to the Industrial Policy Resolution of 1991, fertilizer industry is delicenced and the entrepreneurs are free to set up fertilizer manufacturing units in any part of the country subject to environmental clearances. However, since urea is under price control and can be sold only at statutorily notified MRP and decontrolled fertilizers are sold at indicative MRPs, every fertilizer manufacturing unit, whether in the public, cooperative or private sector, intimates and obtains the acceptance of the Department of Fertilizers for inclusion in the respective concession scheme.